FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25

WATER WORKS

USEFUL FACTS ABOUT YOUR WATER DISTRICT

An Open Letter to Our Water Customers

We're Changing To Better Meet Your Needs!

As we continue into the new millennium, an old axiom remains true: *the only thing constant is change*. That is certainly true with Fort Bend County Municipal Utility District No. 25. The District continues to grow and expand at a very rapid pace.

We anticipate that, very soon, the District will reach or exceed 3,000 connections. Of course, with all this progress and growth, District operations must expand to keep pace with the increased demand for water and sewer service.

In order to better meet the needs of the District's customers, the District has developed and implemented a plan to transfer responsibility for billing, repairs, service and the operation and maintenance of our water and sewer facilities to an in-house staff.

Why is the District making this change? For one very good reason -- because in-house operations can offer an improved level of customer service in a cost- effective manner. In the past, the entire process was performed by an outside, for-profit consultant.

This is not a decision the District made lightly. The District's research has determined that the District can provide a higher level of service by hiring its own employees. District employees will be hired to do only one thing: *provide the best level of customer service possible to the District's residents.*

A "for-profit" employer does not have the same incentive to supervise the District's employees or District expenses. The District's employees will be responsible for taking good care of the residents and District facilities. Additionally, the District won't have to share the attention of its employees. They will be responsible for providing service to the residents of only one District – ours!

They will not have to manage multiple Districts and try to decide which District should receive priority attention on any given day. This step also allows the District's employees to ensure the presence of maintenance and repair personnel on site, within the District, day by day. The employees needed to run in house operations have been hired, the temporary buildings are in place, construction of the permanent office and shop buildings has begun, and the vehicles and large equipment will arrive soon. We're ready to go.

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WATER SYSTEM EXPANSION PLANNED

Design of major improvements to Fort Bend County Municipal Utility District No. 25's water supply system are currently underway. These water plant improvements are designed to give increased reliability to the MUD's facilities by reducing the load on existing facilities and providing sufficient capacity to maintain full service if a plant component is out of service for repair.

The major planned improvements are:

1) Addition of a ground storage tank at Water Plant No. 2 in Summerfield.

2) Construction of a new Water Plant No. 3 in the area of future development south of Stratford Park.

To understand the benefits of these improvements, it is necessary to generally know how the major components of a water plant function. (Note: it is probably not necessary to know this, but engineers tend to ramble on about these things.)

A water plant consists of a well which pumps groundwater at a uniform rate into a ground storage tank (GST). The well operates when levels in the tank are low, and disengages when the tank is full. The MUD's two existing wells extend about 900 feet deep, with groundwater pulled from sand veins ranging from 500 to 900 feet below ground.

The well itself is not typically operated as a direct connection to the water system. As water is used in the system, minor drops in water pressure are observed at the plant which engage one or more booster pumps, which pump water from the ground tank to the system.

The other major component is a hydropneumatic tank (HPT), which looks like a railroad tank car. An HPT maintains uniform pressure by supplying water to the system when minor demands are encountered.

As a theoretical example, if in the middle of the night one resident flushes a commode (requiring 3 to 5 gallons to fill over a minute's time), it would be excessive to turn on a booster pump capable of delivering 750 gallons per minute.

With this background, the benefits of both water plant projects can be seen. The addition of ground storage at Water Plant No. 2 will significantly reduce the load on the well.

In theory, if twice the tank storage exists, the well will run twice as long to fill the tank, but will turn on/off half as often. Wear and tear on mechanical equipment is significantly affected by the number of times it cycles on and off.

In addition, the additional storage increases the amount of water stored to meet peak demands (everybody returns from work at 6:00 p.m. to eat dinner and water lawns) and increases the reserve for fighting fires, which is important given the plant's proximity to the schools.

Water Plant No. 3 will include all the components of a typical water plant. The facility is planned for the area south of Oyster Creek, near the existing cellular telephone towers. The third plant provides a source of water near proposed new development in the MUD, proximity being important to overall water system pressure. Moreover, the third plant will allow the MUD to provide redundancy of individual water supply components. This plant is being designed such that if a particular component of one of the three plants fails, the overall system can continue to operate at full capacity.

For example, if the well at Water Plant No. 1 were to fail during a summer drought condition, the remaining two plants could supply water sufficient for continued operation of the MUD water system. At night the ground storage tank at Water Plant No. 1 (which is not being filled by the down well) would be filled through the water distribution system.

Overall, the three water plants will provide increase flexibility to deal with drought conditions/ component failure with the least

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ANNEXATION OF LAND TO THE DISTRICT

The District consisted of about 396 acres when created in 1978. Since that time, the District has annexed two tracts of land, totaling about 226 acres, which have been developed as Park Pointe, Summerfield, and Stratford Park. The District currently has entered into agreements to annex three additional tracts of land, south of the District's current boundaries, totaling about 375 acres.

The Board bases its decision on the annexation of additional land to the District after review of a feasibility study prepared by the District's engineer, which analyzes the District's water, wastewater, and storm water capacity requirements and related financial data.

The landowners of the areas to be annexed then submit a petition to the District's Board of Directors requesting annexation of the land. The Board conducts a hearing to consider the petition and may agree to commence annexation proceedings.

Once the Board approves the petition for annexation, the District and the landowners must submit a petition to the City of Houston for consent to the annexation due to the fact that the District is located within the City's extra-territorial jurisdiction. If the City consents to the annexation, the Board then adopts an order adding the land to the District. This order must be filed with the Texas Natural Resource Conservation Commission and Fort Bend County Deed Records. Additionally, the District must file an amended information form with the Texas Natural Resource Conservation Commission and Fort Bend County Deed Records, which includes a revised legal description of the land within the District as enlarged by the annexation and a map reflecting the new boundaries of the District.

The District also sends a submissions letter to the U. S. Department of Justice informing them of the annexation and requesting clearance to hold future elections within the District based on the reconfiguration of the District.

The District expects the annexations to be complete in early 2001. The Board of Directors is excited about the proposed expansion of the District and the projected development. The Board feels that the proposed development will enhance the area and will have a positive effect on property values in the District.

Water System Expansion -- continued

impact to residents, and will allow for the most efficient repair of a failed component, as opposed to an emergency patch to get the system back online.

Residents have probably seen the recent reports in the news of water rationing in the Houston area associated with summer drought conditions (which now seem to occur every summer). The water system improvements currently under design will leave the MUD in the position of withstanding a major failure of a water system component through increasingly dry summers.

While no water supply system can overcome every scenario of drought/component failure, the MUD is pursuing a system which does not rely on "keeping your fingers crossed" so common in water supply systems throughout the area.

Alan McKee, Pate Engineers

DROUGHT CONTINGENCY PLAN

Excerpts from the Texas Drought Preparedness Council Report, September 7, 2000...

"The searing heat wave that has gripped Texas for at least two months now is a vivid manifestation of the influence of a potent, albeit a vanishing, La Nina phenomenon. Even though surface waters in the equatorial Pacific have continued warming to near-normal levels in recent weeks, the impact of the strongest La Nina in a generation is likely to be felt for at least several more months.

Still, though La Nina has essentially vanished, its lingering impact -- a vast subtropical ridge of high pressure -- continues to dominate weather over the southern U.S. A record rainless spell for North Texas is among the prodigy of this memorable La Nina event. So is a drought of severe to extreme dimensions over Texas and adjacent states. Extraordinary heat in early September, when temperatures climbed to all-time record levels (for any time of year) in Arkansas and Louisiana, is another definitive signature of the La Nina event. The heat in many areas has been uncommonly prolonged, with some sites observing record numbers of 100 degree days this summer.

With the imminent total demise of La Nina, hopes are invariably raised that the drought in Texas will soon expire as well. These hopes have been fostered by extended weather outlooks issued by the Climate Prediction Center, which suggest "above-normal" rainfall for the Lone Star State in the final quarter of 2000. But in making plans for non-drought conditions in Texas, ample caution is warranted.

The Climate Prediction Center predicts above normal temperatures and normal precipitation for Texas from September through November. CPC predicts above normal precipitation for Texas from November 2000 through January 2001. The National Oceanic and Atmospheric Administration (NOAA) predicts drought is likely to persist in most of the State through November. Even if above-normal rainfall comes to Texas before year's end, the rainfall will most likely not be substantial enough to erase the current severe drought...."

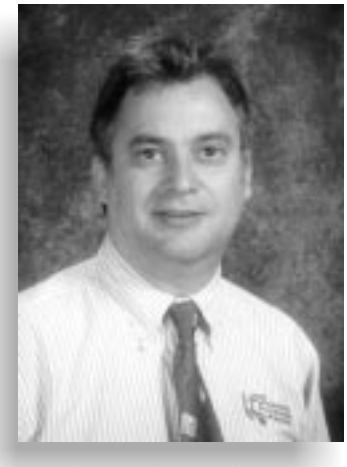
Experts say 10-15 inches of rainfall needed to "snap" drought...

It's not a secret to anyone who has experienced the State's hottest summer on record that we face some serious problems ahead if drought conditions persist. As one of Texas' 4,000 medium and smaller retail water utilities -- those that serve fewer than 3300 connections -- we were required by the Texas Natural Resource Conservation Commission (TNRCC) to adopt a Drought Contingency Plan by September 1, 2000. The Board of Directors accomplished this task and also made provisions for the possiblity of a natural disaster or an equipment failure in its plan, which supercedes the previous plan adopted in September, 1996.

The full document is available on our website, www.waterdistrict25.com, and this newsletter accomplishes part of our commitment to communicate with residents about drought and potential impacts. The "Plan" defines various levels of drought and when "trigger conditions" occur, and spells out how the District will respond at each level in its Emergency Management Program. These measures range from voluntary reduction in water use to water rationing, the mandatory prohibition of all outdoor water usage, and the application of surcharges levied for water delivered in excess of a specified amount. Penalties have been approved for residents who violate the Plan.

Our water resources are finite and, in years to come, will undoubtedly be more expensive. Water is critical to continued economic growth and development so it is important that we all learn to use this valuable resource more efficiently.

LEWIS RETURNS TO THE BOARD



Richard Lewis is certainly not a novice to MUD service, having served as a water board director for more than five years. Richard has been a resident of Fort Bend County MUD No. 25 for the past 12 years. He received both his BS and M.Ed. at Louisiana State University where he also was a mathematics instructor for eight years.

Richard is currently employed by Fort Bend ISD as an Instructional Technology Specialist. Previously, he taught mathematics both for Brusly High School in Louisiana and at Dulles High School (where he continues to teach a calculus course). Richard and his wife Beth have four children.

Hey Kids...

How do they get that water all the way up in those towers?

Water towers help store our drinking water so it will be there when we turn on the faucet. While we may wonder how in the world the water gets all the way up in those towers, experts say it is relatively simple to do this.

Water towers are so tall to help provide pressure, so the structure must be tall enough to supply the right amount of pressure to be able to deliver water to all the water users. Very often, water towers are located on higher ground to help boost the pressure.

The tank at the top of water towers can be many different sizes and shapes, but a typical tower might hold 50 times more water than someone's backyard swimming pool! In general, tanks are usually built to hold about one day's water for the community it serves.

After the drinking water is treated, the pure, germ-free water is pumped through pipes to customers. The water tower is attached to these pipes under pressure so that the extra water simply goes up the pipe into the storage tank automatically, and comes back down when it is needed. At night, when the demand for water falls to practically nothing, a pump can help to refill the water tower to be ready for early morning demand again.

Changing operations...

Continued from page 1

Certainly, it would have been easier to continue to maintain the "status quo" and let someone else handle all the details. But it was not in the best interest of the District's residents to do so. And, as with most things in life, doing the right thing is not always the easiest thing to do.

However, the District strongly believes that you -- the District's customers --are worth every bit of extra effort we can muster to ensure quality service at the lowest possible cost. A letter will be sent to all residents with a new mailing address for payments as well as phone numbers for accessing repairs and customer service issues.

We look forward to serving you.

Dan Whitcher
Operations Manager
Fort Bend County Municipal Utility District No. 25

ISN'T THAT AMAZING...

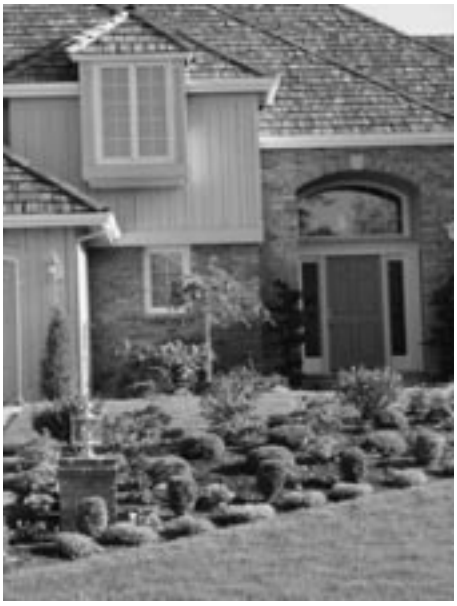
- The human body is made up of 65 percent water; the brain is 75 percent water.
- Water is the only substance that occurs in all three stages of matter -- as a solid (ice), in a liquid state (rain), and as a gas or vapor (steam or fog).
- If every home in this country had a faucet that dripped one drop a second, we would waste 928 million gallons of water each day -- that's enough water to fill more than 7-1/2 billion 8 oz glasses.
- 99 percent of the earth's water is in the oceans. Only 1 percent is available for human consumption.

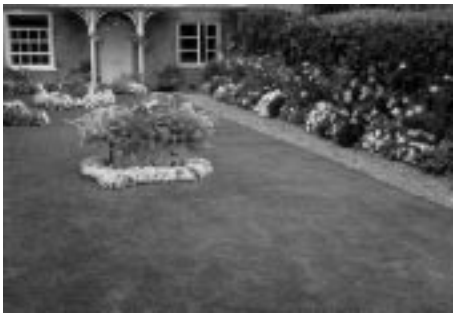
Simple Tips to Avoid Wasting Water on Lawn and Garden...

In the Houston area, the heat just seems to last longer each year. With summer showers few and far between, there has been alarmingly little rain to give the ground a really good soaking. By Labor Day, many homeowners had given up trying to revive wilting plants and grass. Plants and shrubs looked peaked and stressed – and many have actually died.

According to the Texas Water Development Board (TWDB), as much as half of our outdoor use of water in the warmer months is wasted because of poor watering practices. This can take quite a toll on the water bill since 50 to 80 percent of our water consumption during those months is used outside. It makes good common sense to learn to use this valuable resource more efficiently to save both water and money.

This is a good time to take a realistic look at the way you use water for lawn and garden. When do you water the lawn? For how long at a time? Does the sprinkler hit the driveway, sidewalks or street? If you have a sprinkler system, is it set to turn off if it rains? Do you wait for the plants or grass to look wilted before watering, or do you water on a regular basis? When you set the sprinkler out, do you just place it at random? Or do you have a "plan" for distributing the water over a specific area?





We have taken our water resources for granted for so long that some wasteful habits die hard. But with the Harris-Galveston Coastal Subsidence District mandate to reduce our dependency on groundwater, everyone is paying more attention to using water more efficiently in an effort to control costs, as well. Here are some simple tips to help you put a realistic, cost-effective water efficiency plan into effect outside your home.

At the top of the list is the recommendation to use native plants and shrubs whenever possible in landscaping your yard. They generally require watering less frequently, and are often low-maintenance, too. The TWDB and the Texas Department of Agriculture County Extension Service point out that different varieties of grasses, plants and soils require different amounts of water.

In Houston, for example, Buffalo-grass has a low water need compared to Bermuda (moderate)

and St. Augustine's high "thirst" requirement. Experts suggest that grass should be watered separately from flower beds and landscaped areas. When original landscape planning is an option, be sure to "zone" plants according to their water requirements.

Use the kind of watering equipment that best suits your "target." Use sprinklers – ones that broadcast large drops are best – for the lawn areas, and soaker hoses or drip irrigation systems for trees, shrubs and flower beds.

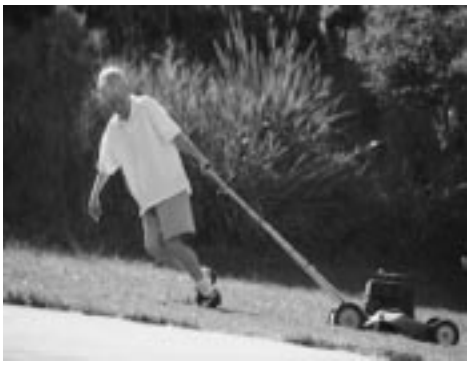
Lawns generally absorb the greatest amount of outdoor

residential water use, and studies have shown that folks may inadvertently water twice as much as necessary to keep a healthy lawn. This is easily remedied by knowing when to water. Look for signs of stress – limp or curled, dull green blades of grass, or footprints left behind after walking across the lawn – or use a moisture gauge.

In the Houston area, experts recommend watering every

five days to apply .75 to 1 inch of water (subtracting any rainfall) during summer months. This amount will wet the soil to a depth of 4-6 inches. Water during early morning or evening hours when evaporation losses will be less than during the heat of the day. Avoid watering in high winds that might send the droplets to places they are not needed – like your neighbor's lawn or driveway.

If you want to know how much water it takes to deliver the right amount of moisture to your grass, place some empty cans or jars in strategic places around the lawn, turn on the sprinkler and let it run for half an hour. Add the total inches of water captured in all the receptacles and then divide by the number of cans to get the average. Simply multiply by two if



you want to know how much water is "sprinkled" in an hour.

It will also help if you don't cut the grass too short. Longer blades will help reduce evaporation and shade the soil. Maintaining this slightly deeper carpet of grass will help prevent the lawn from turning yellow or brown, as well.

Use a good mulch layer in flower beds and landscape areas. This covers the soil, helps to hold down the weed growth that can siphon off water from your plants, and helps retain the moisture in the soil. Remember that "zoning" plants according to their water requirements in the landscape plan can also help you water more efficiently.

Finally, use drip or trickle irrigation – the slow, frequent application of very small amounts of water to the soil area directly surrounding the plant roots – to take care of gardens and landscaped areas. Drip irrigation can save up to 60 percent of water delivered by other systems. This can be done quite well and cost-effectively by the strategic placement of soaker hoses – porous tubes that continuously "leak" water.

By using our water supplies efficiently, we can hold down our water bills, which can minimize the long-term impact on our pocketbooks as this valuable resource becomes more costly in the years ahead.

Courtesy of North Harris County Municipal Utility District Number 36

District Tax Rate Reduced for Second Year in a Row!

Can you think of many things in your life that have actually gone down in price? Homeowners in our District have a lower price to cheer about -- falling taxes!

Fort Bend County Municipal Utility District No. 25 has set its 2000 tax rate at $0.975 per $100 of assessed value. The $0.975 tax rate represents a **decrease** of $0.10 (10 percent) over the 1999 tax rate of $1.08. This tax rate decrease compares with the largest decrease in recent years, which occurred in 1999 when the tax rate was reduced from $1.18 to $1.08.

For the two-year period, the decreases total $0.20. For comparison, the tax rate decreased a total of $0.11 over the five-year period from 1993 to 1998.

The District is beginning to realize the economic benefit of recent, substantial growth within our area. This tax reduction provides one more example of how the financial strength of our District -- combined with the commitment of the Board of Directors -- enables our residents to reap the benefits of our growth.

We Want to Hear From You...

Have you ever had a comment, question, or concern about your water or sewer service? Have you been curious about the construction taking place at the sewage treatment plant? Did you ever want more information about the growth within our District? Questions about your water bill? Do we have an adequate supply of water during "dry spells"? Will water and sewer service be available in case of a natural disaster?

There's a quick and easy way to find answers to all your water-related questions. Contact your Board of Directors of Fort Bend County Municipal Utility District No. 25. We place a high priority on communicating with residents served by our District, so we have a number of methods in place for reaching your Board members any time:

1.World Wide Web

Visit us on the Internet! *www.waterdistrict25.com*. Learn about our Board meetings, what's on the agenda, and send us your comments right from our website. Residents may contact us at another direct -mail address: *fortbend.mud25@usa.net*.

2. Snail Mail:

Mail your comments or questions to our Post Office Box -- Fort Bend County Municipal Utility District No. 25, P.O. Box 2847, Sugar Land, Texas 77487-2847.

3. Monthly Meetings:

Attend a District Board meeting -- your Board of Directors holds a public meeting the second Friday of each month at 5:30 p.m.

The meetings are currently being held at the offices of Vinson & Elkins L.L.P., First City Tower, 1001 Fannin, Conference Room No. 2710, Houston, TX 77002-6760. Please verify the meeting time and location by calling George Farland or the District office to ensure that no changes in date or location have occurred due to unforeseen circumstances.

The Board of Directors and our new management team work for YOU...each and every resident of our District. Please let us know how we're doing and what we can do to improve. We look forward to hearing from you -- each of you -- soon!

Drop off your payments at: (1) The Pheasant Creek Food Mart (Texaco) at Pheasant Creek Drive and Old Richmond Road (drop box only; no cash payments accepted)

OR,

(2) The District offices at 18230 Old Richmond Road, Sugar Land, Texas 77478. (No cash payments accepted.)

For service requests, billing questions or after hours emergency response, call 281-277-0129.

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 25

Fort Bend County Municipal
Utility District No. 25
P.O. Box 2847
Sugar Land, Texas 77487-2847

9/2000-2300